



PRELIMINARY DRAFT
No. 3060

PREPARED BY
LEGISLATIVE SERVICES AGENCY
2011 GENERAL ASSEMBLY

DIGEST

Citations Affected: IC 6-3.5.

Synopsis: Local option income tax adoption dates. Conforms references to ordinance adoption dates in the local income tax laws to the dates specified in P.L.113-2010, SECTIONS 61, 63, and 66 (HEA 1086-2010). (The introduced version of this bill was prepared by the Code Revision Commission.)

Effective: Upon passage; January 1, 2009 (retroactive).



A BILL FOR AN ACT to amend the Indiana Code concerning
taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-3.5-1.1-2, AS AMENDED BY P.L.224-2007,
2 SECTION 54, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: Sec. 2. (a) The county council of any county in
4 which the county option income tax will not be in effect on ~~October~~
5 **December** 1 of a year under an ordinance adopted during a previous
6 calendar year may impose the county adjusted gross income tax on the
7 adjusted gross income of county taxpayers of its county. ~~effective July~~
8 ~~1 of that year.~~

9 (b) Except as provided in section 2.3, 2.5, 2.6, 2.7, 2.8, 2.9, 3.3, 3.5,
10 3.6, 24, 25, or 26 of this chapter, the county adjusted gross income tax
11 may be imposed at a rate of one-half of one percent (0.5%),
12 three-fourths of one percent (0.75%), or one percent (1%) on the
13 adjusted gross income of resident county taxpayers of the county. Any
14 county imposing the county adjusted gross income tax must impose the
15 tax on the nonresident county taxpayers at a rate of one-fourth of one
16 percent (0.25%) on their adjusted gross income. If the county council
17 elects to decrease the county adjusted gross income tax, the county
18 council may decrease the county adjusted gross income tax rate in
19 increments of one-tenth of one percent (0.1%).

20 (c) To impose the county adjusted gross income tax, the county
21 council must ~~after March 31 but before August 1 of a year,~~ adopt an
22 ordinance. The ordinance must substantially state the following:

23 "The _____ County Council imposes the county adjusted
24 gross income tax on the county taxpayers of _____ County.
25 The county adjusted gross income tax is imposed at a rate of
26 _____ percent (____%) on the resident county taxpayers of the
27 county and one-fourth of one percent (0.25%) on the nonresident
28 county taxpayers of the county." ~~This tax takes effect October 1~~
29 ~~of this year."~~

30 ~~(d) Any ordinance adopted under this section takes effect October~~
31 ~~1 of the year the ordinance is adopted.~~



~~(c)~~ (d) The auditor of a county shall record all votes taken on ordinances presented for a vote under the authority of this section and immediately send a certified copy of the results to the department by certified mail.

~~(f)~~ (e) If the county adjusted gross income tax had previously been adopted by a county under IC 6-3.5-1 (before its repeal on March 15, 1983) and that tax was in effect at the time of the enactment of this chapter, then the county adjusted gross income tax continues in that county at the rates in effect at the time of enactment until the rates are modified or the tax is rescinded in the manner prescribed by this chapter. If a county's adjusted gross income tax is continued under this subsection, then the tax shall be treated as if it had been imposed under this chapter and is subject to rescission or reduction as authorized in this chapter.

SECTION 2. IC 6-3.5-1.1-2.3, AS AMENDED BY P.L.224-2007, SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2.3. (a) This section applies to Jasper County.

(b) The county council may, by ordinance, determine that additional county adjusted gross income tax revenue is needed in the county to:

(1) finance, construct, acquire, improve, renovate, or equip:

(A) jail facilities;

(B) juvenile court, detention, and probation facilities;

(C) other criminal justice facilities; and

(D) related buildings and parking facilities;

located in the county, including costs related to the demolition of existing buildings and the acquisition of land; and

(2) repay bonds issued or leases entered into for the purposes described in subdivision (1).

(c) The county council may, by ordinance, determine that additional county adjusted gross income tax revenue is needed in the county to operate or maintain any of the facilities described in subsection (b)(1)(A) through (b)(1)(D) that are located in the county. The county council may make a determination under both this subsection and subsection (b).

(d) In addition to the rates permitted by section 2 of this chapter, the county council may impose the county adjusted gross income tax at a rate of:

(1) fifteen-hundredths percent (0.15%);

(2) two-tenths percent (0.2%); or

(3) twenty-five hundredths percent (0.25%);

on the adjusted gross income of county taxpayers if the county council makes a finding and determination set forth in subsection (b) or (c).

(e) If the county council imposes the tax under this section to pay for the purposes described in both subsections (b) and (c), when:

(1) the financing, construction, acquisition, improvement, renovation, and equipping described in subsection (b) are



completed; and

(2) all bonds issued or leases entered into to finance the construction, acquisition, improvement, renovation, and equipping described in subsection (b) are fully paid;

the county council shall, subject to subsection (d), establish a tax rate under this section by ordinance such that the revenue from the tax does not exceed the costs of operating and maintaining the jail facilities described in subsection (b)(1)(A). The tax rate may not be imposed at a rate greater than is necessary to carry out the purposes described in subsections (b) and (c), as applicable.

~~(f)~~ An ordinance adopted under this section before August 1 in a year applies to the imposition of county income taxes after September 30 in that year. An ordinance adopted under this section after July 31 of a year initially applies to the imposition of county option income taxes after September 30 of the immediately following year.

~~(g)~~ (f) The tax imposed under this section may be imposed only until the latest of the following:

(1) The date on which the financing, construction, acquisition, improvement, renovation, and equipping described in subsection (b) are completed.

(2) The date on which the last of any bonds issued or leases entered into to finance the construction, acquisition, improvement, renovation, and equipping described in subsection (b) are fully paid.

(3) The date on which an ordinance adopted under subsection (c) is rescinded.

~~(h)~~ (g) The term of the bonds issued (including any refunding bonds) or a lease entered into under subsection (b)(2) may not exceed twenty (20) years.

~~(i)~~ (h) The county treasurer shall establish a criminal justice facilities revenue fund to be used only for purposes described in this section. County adjusted gross income tax revenues derived from the tax rate imposed under this section shall be deposited in the criminal justice facilities revenue fund before making a certified distribution under section 11 of this chapter.

~~(j)~~ (i) County adjusted gross income tax revenues derived from the tax rate imposed under this section:

(1) may be used only for the purposes described in this section;

(2) may not be considered by the department of local government finance in determining the county's maximum permissible property tax levy limit under IC 6-1.1-18.5; and

(3) may be pledged to the repayment of bonds issued or leases entered into for any or all the purposes described in subsection (b).

~~(k)~~ (j) Notwithstanding any other law, money remaining in the criminal justice facilities revenue fund established under subsection ~~(i)~~



(h) after the tax imposed by this section is terminated under subsection ~~(g)~~ (f) shall be transferred to the county highway fund to be used for construction, resurfacing, restoration, and rehabilitation of county highways, roads, and bridges.

SECTION 3. IC 6-3.5-1.1-3, AS AMENDED BY P.L.224-2007, SECTION 57, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) The county council may increase the county adjusted gross income tax rate imposed upon the resident county taxpayers of the county. To increase the rate, the county council must ~~after March 31 but before August 1 of a year~~, adopt an ordinance. The ordinance must substantially state the following:

"The _____ County Council increases the county adjusted gross income tax rate imposed upon the resident county taxpayers of the county from _____ percent (____%) to _____ percent (____%).". ~~This tax rate increase takes effect October 1 of this year.~~

~~(b) Any ordinance adopted under this section takes effect October 1 of the year the ordinance is adopted.~~

~~(c)~~ (b) The auditor of a county shall record all votes taken on ordinances presented for a vote under the authority of this section and immediately send a certified copy of the results to the department by certified mail.

SECTION 4. IC 6-3.5-1.1-3.1, AS AMENDED BY P.L.224-2007, SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3.1. (a) The county council may decrease the county adjusted gross income tax rate imposed upon the resident county taxpayers of the county. To decrease the rate, the county council must ~~after March 31 but before August 1 of a year~~, adopt an ordinance. The ordinance must substantially state the following:

"The _____ County Council decreases the county adjusted gross income tax rate imposed upon the resident county taxpayers of the county from _____ percent (____%) to _____ percent (____%).". ~~This tax rate decrease takes effect October 1 of this year.~~

(b) A county council may not decrease the county adjusted gross income tax rate if the county or any commission, board, department, or authority that is authorized by statute to pledge the county adjusted gross income tax has pledged the county adjusted gross income tax for any purpose permitted by IC 5-1-14 or any other statute.

~~(c)~~ Any ordinance adopted under this section takes effect October 1 of the year the ordinance is adopted.

~~(d)~~ (c) The auditor of a county shall record all votes taken on ordinances presented for a vote under the authority of this section and immediately send a certified copy of the results to the department by certified mail.

~~(e)~~ (d) Notwithstanding IC 6-3.5-7, and except as provided in



1 subsection ~~(f)~~, (e), a county council that decreases the county adjusted
 2 gross income tax rate in a year may not in the same year adopt or
 3 increase the county economic development income tax under
 4 IC 6-3.5-7.

5 ~~(f)~~ (e) This subsection applies only to a county having a population
 6 of more than one hundred ten thousand (110,000) but less than one
 7 hundred fifteen thousand (115,000). The county council may adopt or
 8 increase the county economic development income tax rate under
 9 IC 6-3.5-7 in the same year that the county council decreases the
 10 county adjusted gross income tax rate if the county economic
 11 development income tax rate plus the county adjusted gross income tax
 12 rate in effect after the county council decreases the county adjusted
 13 gross income tax rate is less than the county adjusted gross income tax
 14 rate in effect before the adoption of an ordinance under this section
 15 decreasing the rate of the county adjusted gross income tax.

16 SECTION 5. IC 6-3.5-1.1-4, AS AMENDED BY P.L.224-2007,
 17 SECTION 60, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 18 UPON PASSAGE]: Sec. 4. (a) The county adjusted gross income tax
 19 imposed by a county council under this chapter remains in effect until
 20 rescinded.

21 (b) Except as provided in subsection ~~(e)~~, (d), the county council may
 22 rescind the county adjusted gross income tax by adopting an ordinance
 23 to rescind the tax. ~~after March 31 but before August 1 of a year.~~

24 ~~(c) Any ordinance adopted under this section takes effect October~~
 25 ~~1 of the year the ordinance is adopted.~~

26 ~~(d)~~ (c) The auditor of a county shall record all votes taken on
 27 ordinances presented for a vote under the authority of this section and
 28 immediately send a certified copy of the results to the department by
 29 certified mail.

30 ~~(e)~~ (d) A county council may not rescind the county adjusted gross
 31 income tax or take any action that would result in a civil taxing unit in
 32 the county having a smaller certified share than the certified share to
 33 which the civil taxing unit was entitled when the civil taxing unit
 34 pledged county adjusted gross income tax if the civil taxing unit or any
 35 commission, board, department, or authority that is authorized by
 36 statute to pledge county adjusted gross income tax has pledged county
 37 adjusted gross income tax for any purpose permitted by IC 5-1-14 or
 38 any other statute. The prohibition in this section does not apply if the
 39 civil taxing unit pledges legally available revenues to fully replace the
 40 civil taxing unit's certified share that has been pledged.

41 SECTION 6. IC 6-3.5-1.1-10, AS AMENDED BY P.L.224-2007,
 42 SECTION 62, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 43 UPON PASSAGE]: Sec. 10. (a) Except as provided in subsection (b),
 44 one-half (1/2) of each adopting county's certified distribution for a
 45 calendar year shall be distributed from its account established under
 46 section 8 of this chapter to the appropriate county treasurer on May 1



and the other one-half (1/2) on November 1 of that calendar year.

(b) This subsection applies to a county having a population of more than one hundred forty-five thousand (145,000) but less than one hundred forty-eight thousand (148,000), **if an ordinance imposing the tax is adopted before July 1 of a year.** Notwithstanding section 9 of this chapter the initial certified distribution certified for a county under section 9 of this chapter shall be distributed to the county treasurer from the account established for the county under section 8 of this chapter according to the following schedule during the eighteen (18) month period beginning on July 1 of the year in which the county initially adopts an ordinance under section 2 of this chapter:

(1) One-fourth (1/4) on October 1 of the calendar year in which the ordinance was adopted.

(2) One-fourth (1/4) on January 1 of the calendar year following the year in which the ordinance was adopted.

(3) One-fourth (1/4) on May 1 of the calendar year following the year in which the ordinance was adopted.

(4) One-fourth (1/4) on November 1 of the calendar year following the year in which the ordinance was adopted.

Notwithstanding section 11 of this chapter, the part of the certified distribution received under subdivision (1) that would otherwise be allocated to a civil taxing unit or school corporation as property tax replacement credits under section 11 of this chapter shall be set aside and treated for the calendar year when received by the civil taxing unit or school corporation as a levy excess subject to IC 6-1.1-18.5-17 or IC 20-44-3. Certified distributions made to the county treasurer for calendar years following the eighteen (18) month period described in this subsection shall be made as provided in subsection (a).

(c) Except for:

(1) revenue that must be used to pay the costs of:

(A) financing, constructing, acquiring, improving, renovating, equipping, operating, or maintaining facilities and buildings;

(B) debt service on bonds; or

(C) lease rentals;

under section 2.3 of this chapter;

(2) revenue that must be used to pay the costs of operating a jail and juvenile detention center under section ~~2.5(d)~~ 2.5 of this chapter;

(3) revenue that must be used to pay the costs of:

(A) financing, constructing, acquiring, improving, renovating, equipping, operating, or maintaining facilities and buildings;

(B) debt service on bonds; or

(C) lease rentals;

under section 2.8 of this chapter;

(4) revenue that must be used to pay the costs of construction, improvement, renovation, or remodeling of a jail and related



buildings and parking structures under section 2.7, 2.9, or 3.3 of this chapter;

(5) revenue that must be used to pay the costs of operating and maintaining a jail and justice center under section 3.5(d) of this chapter;

(6) revenue that must be used to pay the costs of constructing, acquiring, improving, renovating, or equipping a county courthouse under section 3.6 of this chapter;

(7) revenue under section 2.6 of this chapter; or

(8) revenue attributable to a tax rate under section 24, 25, or 26 of this chapter;

distributions made to a county treasurer under subsections (a) and (b) shall be treated as though they were property taxes that were due and payable during that same calendar year. Except as provided by subsection (b) and sections 24, 25, and 26 of this chapter, the certified distribution shall be distributed and used by the taxing units and school corporations as provided in sections 11 through 15 of this chapter.

(d) All distributions from an account established under section 8 of this chapter shall be made by warrants issued by the auditor of the state to the treasurer of the state ordering the appropriate payments.

SECTION 7. IC 6-3.5-1.1-11, AS AMENDED BY P.L.224-2007, SECTION 63, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) Except for:

(1) revenue that must be used to pay the costs of:

(A) financing, constructing, acquiring, improving, renovating, equipping, operating, or maintaining facilities and buildings;

(B) debt service on bonds; or

(C) lease rentals;

under section 2.3 of this chapter;

(2) revenue that must be used to pay the costs of operating a jail and juvenile detention center under section ~~2.5(d)~~ 2.5 of this chapter;

(3) revenue that must be used to pay the costs of:

(A) financing, constructing, acquiring, improving, renovating, equipping, operating, or maintaining facilities and buildings;

(B) debt service on bonds; or

(C) lease rentals;

under section 2.8 of this chapter;

(4) revenue that must be used to pay the costs of construction, improvement, renovation, or remodeling of a jail and related buildings and parking structures under section 2.7, 2.9, or 3.3 of this chapter;

(5) revenue that must be used to pay the costs of operating and maintaining a jail and justice center under section 3.5(d) of this chapter;

(6) revenue that must be used to pay the costs of constructing,



acquiring, improving, renovating, or equipping a county courthouse under section 3.6 of this chapter; or
(7) revenue attributable to a tax rate under section 24, 25, or 26 of this chapter;

the certified distribution received by a county treasurer shall, in the manner prescribed in this section, be allocated, distributed, and used by the civil taxing units and school corporations of the county as certified shares and property tax replacement credits.

(b) Before August 10 of each calendar year, each county auditor shall determine the part of the certified distribution for the next succeeding calendar year that will be allocated as property tax replacement credits and the part that will be allocated as certified shares. The percentage of a certified distribution that will be allocated as property tax replacement credits or as certified shares depends upon the county adjusted gross income tax rate for resident county taxpayers in effect on ~~August~~ **December** 1 of the calendar year that precedes the year in which the certified distribution will be received by two (2) years. The percentages are set forth in the following table:

| PROPERTY | | |
|-----------------|-------------|-----------|
| COUNTY | TAX | |
| ADJUSTED GROSS | REPLACEMENT | CERTIFIED |
| INCOME TAX RATE | CREDITS | SHARES |
| 0.5% | 50% | 50% |
| 0.75% | 33 1/3% | 66 2/3% |
| 1% | 25% | 75% |

(c) The part of a certified distribution that constitutes property tax replacement credits shall be distributed as provided under sections 12, 13, and 14 of this chapter.

(d) The part of a certified distribution that constitutes certified shares shall be distributed as provided by section 15 of this chapter.

SECTION 8. IC 6-3.5-1.1-21, AS AMENDED BY P.L.182-2009(ss), SECTION 213, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 21. Before ~~October~~ **November** 2 of each year, the budget agency shall submit a report to each county auditor indicating the balance in the county's adjusted gross income tax account as of the cutoff date specified by the budget agency.

SECTION 9. IC 6-3.5-1.1-21.1, AS AMENDED BY P.L.182-2009(ss), SECTION 214, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 21.1. (a) If the budget agency determines that a sufficient balance exists in a county account in excess of the amount necessary, when added to other money that will be deposited in the account after the date of the determination, to make certified distributions to the county in the ensuing year, the budget agency shall make a supplemental distribution to a county from the county's adjusted gross income tax account.



(b) A supplemental distribution described in subsection (a) must be:

(1) made in January of the ensuing calendar year; and

(2) allocated and, subject to subsection (d), used in the same manner as certified distributions.

(c) A determination under this section must be made before ~~October~~ **November 2**.

(d) This subsection applies to that part of a distribution made under this section that is allocated and available for use in the same manner as certified shares. The civil taxing unit receiving the money shall deposit the money in the civil taxing unit's rainy day fund established under IC 36-1-8-5.1.

SECTION 10. IC 6-3.5-1.1-24, AS AMENDED BY P.L.146-2008, SECTION 331, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 24. (a) In a county in which the county adjusted gross income tax is in effect, the county council may ~~before August 1 of a year,~~ adopt an ordinance to impose or increase (as applicable) a tax rate under this section.

(b) In a county in which neither the county adjusted gross income tax nor the county option income tax is in effect, the county council may ~~before August 1 of a year,~~ adopt an ordinance to impose a tax rate under this section.

(c) ~~An ordinance adopted under this section takes effect October 1 of the year in which the ordinance is adopted.~~ If a county council adopts an ordinance to impose or increase a tax rate under this section, the county auditor shall send a certified copy of the ordinance to the department and the department of local government finance by certified mail.

(d) A tax rate under this section is in addition to any other tax rates imposed under this chapter and does not affect the purposes for which other tax revenue under this chapter may be used.

(e) The following apply only in the year in which a county council first imposes a tax rate under this section.

(1) The county council shall, in the ordinance imposing the tax rate, specify the tax rate for each of the following two (2) years.

(2) The tax rate that must be imposed in the county ~~from October 1 of the year in which the tax rate is imposed through September 30 of the following year in the first year~~ is equal to the result of:

(A) the tax rate determined for the county under IC 6-3.5-1.5-1(a) in the year in which the tax rate is increased; multiplied by

(B) two (2).

(3) The tax rate that must be imposed in the county ~~from October 1 of the following year through September 30 of the year after the following year in the second year~~ is the tax rate determined for the county under IC 6-3.5-1.5-1(b). The tax rate under this subdivision continues in effect in later years unless the tax rate is



increased under this section.

(4) The levy limitations in IC 6-1.1-18.5-3(g), IC 6-1.1-18.5-3(h), IC 12-19-7-4(b) (before its repeal), IC 12-19-7.5-6(b) (before its repeal), and IC 12-29-2-2(c) apply to property taxes first due and payable in the ensuing calendar year and to property taxes first due and payable in the calendar year after the ensuing calendar year.

(f) The following apply only in a year in which a county council increases a tax rate under this section:

(1) The county council shall, in the ordinance increasing the tax rate, specify the tax rate for the following year.

(2) The tax rate that must be imposed in the county ~~from October 1 of the year in which the tax rate is increased through September 30 of the following year~~ is equal to the result of:

(A) the tax rate determined for the county under IC 6-3.5-1.5-1(a) in that year; plus

(B) the tax rate currently in effect in the county under this section.

The tax rate under this subdivision continues in effect in later years unless the tax rate is increased under this section.

(3) The levy limitations in IC 6-1.1-18.5-3(g), IC 6-1.1-18.5-3(h), IC 12-19-7-4(b) (before its repeal), IC 12-19-7.5-6(b) (before its repeal), and IC 12-29-2-2(c) apply to property taxes first due and payable in the ensuing calendar year.

(g) The department of local government finance shall determine the following property tax replacement distribution amounts:

STEP ONE: Determine the sum of the amounts determined under STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(a) for the county in the preceding year.

STEP TWO: For distribution to each civil taxing unit that in the year had a maximum permissible property tax levy limited under IC 6-1.1-18.5-3(g), determine the result of:

(1) the quotient of:

(A) the part of the amount determined under STEP ONE of IC 6-3.5-1.5-1(a) in the preceding year that was attributable to the civil taxing unit; divided by

(B) the STEP ONE amount; multiplied by

(2) the tax revenue received by the county treasurer under this section.

STEP THREE: For distributions in 2009 and thereafter, the result of this STEP is zero (0). For distribution to the county for deposit in the county family and children's fund before 2009, determine the result of:

(1) the quotient of:

(A) the amount determined under STEP TWO of IC 6-3.5-1.5-1(a) in the preceding year; divided by



- 1 (B) the STEP ONE amount; multiplied by
 2 (2) the tax revenue received by the county treasurer under this
 3 section.
 4 STEP FOUR: For distributions in 2009 and thereafter, the result
 5 of this STEP is zero (0). For distribution to the county for deposit
 6 in the county children's psychiatric residential treatment services
 7 fund before 2009, determine the result of:
 8 (1) the quotient of:
 9 (A) the amount determined under STEP THREE of
 10 IC 6-3.5-1.5-1(a) in the preceding year; divided by
 11 (B) the STEP ONE amount; multiplied by
 12 (2) the tax revenue received by the county treasurer under this
 13 section.
 14 STEP FIVE: For distribution to the county for community mental
 15 health center purposes, determine the result of:
 16 (1) the quotient of:
 17 (A) the amount determined under STEP FOUR of
 18 IC 6-3.5-1.5-1(a) in the preceding year; divided by
 19 (B) the STEP ONE amount; multiplied by
 20 (2) the tax revenue received by the county treasurer under this
 21 section.
 22 Except as provided in subsection (m), the county treasurer shall
 23 distribute the portion of the certified distribution that is attributable to
 24 a tax rate under this section as specified in this section. The county
 25 treasurer shall make the distributions under this subsection at the same
 26 time that distributions are made to civil taxing units under section 15
 27 of this chapter.
 28 (h) Notwithstanding sections 3.1 and 4 of this chapter, a county
 29 council may not decrease or rescind a tax rate imposed under this
 30 chapter.
 31 (i) The tax rate under this section shall not be considered for
 32 purposes of computing:
 33 (1) the maximum income tax rate that may be imposed in a county
 34 under section 2 of this chapter or any other provision of this
 35 chapter; or
 36 (2) the maximum permissible property tax levy under STEP
 37 EIGHT of IC 6-1.1-18.5-3(b).
 38 (j) The tax levy under this section shall not be considered for
 39 purposes of ~~computing the total county tax levy under~~
 40 ~~IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), or IC 6-1.1-21-2(g)(5) (before~~
 41 ~~the repeal of those provisions)~~ or for purposes of the credit under
 42 IC 6-1.1-20.6.
 43 (k) A distribution under this section shall be treated as a part of the
 44 receiving civil taxing unit's property tax levy for that year for purposes
 45 of fixing the budget of the civil taxing unit and for determining the
 46 distribution of taxes that are distributed on the basis of property tax



1 levies.

2 (l) If a county council imposes a tax rate under this section, the
3 portion of county adjusted gross income tax revenue dedicated to
4 property tax replacement credits under section 11 of this chapter may
5 not be decreased.

6 (m) In the year following the year in a which a county first imposes
7 a tax rate under this section, one-half (1/2) of the tax revenue that is
8 attributable to the tax rate under this section must be deposited in the
9 county stabilization fund established under subsection (o).

10 (n) A pledge of county adjusted gross income taxes does not apply
11 to revenue attributable to a tax rate under this section.

12 (o) A county stabilization fund is established in each county that
13 imposes a tax rate under this section. The county stabilization fund
14 shall be administered by the county auditor. If for a year the certified
15 distributions attributable to a tax rate under this section exceed the
16 amount calculated under STEP ONE through STEP FOUR of
17 IC 6-3.5-1.5-1(a) that is used by the department of local government
18 finance and the department of state revenue to determine the tax rate
19 under this section, the excess shall be deposited in the county
20 stabilization fund. Money shall be distributed from the county
21 stabilization fund in a year by the county auditor to political
22 subdivisions entitled to a distribution of tax revenue attributable to the
23 tax rate under this section if:

24 (1) the certified distributions attributable to a tax rate under this
25 section are less than the amount calculated under STEP ONE
26 through STEP FOUR of IC 6-3.5-1.5-1(a) that is used by the
27 department of local government finance and the department of
28 state revenue to determine the tax rate under this section for a
29 year; or

30 (2) the certified distributions attributable to a tax rate under this
31 section in a year are less than the certified distributions
32 attributable to a tax rate under this section in the preceding year.

33 However, subdivision (2) does not apply to the year following the first
34 year in which certified distributions of revenue attributable to the tax
35 rate under this section are distributed to the county.

36 (p) Notwithstanding any other provision, a tax rate imposed under
37 this section may not exceed one percent (1%).

38 (q) A county council must each year hold at least one (1) public
39 meeting at which the county council discusses whether the tax rate
40 under this section should be imposed or increased.

41 (r) The department of local government finance and the department
42 of state revenue may take any actions necessary to carry out the
43 purposes of this section.

44 SECTION 11. IC 6-3.5-6-2 IS AMENDED TO READ AS
45 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) A county
46 income tax council is established for each county in Indiana. The



membership of each county's county income tax council consists of the fiscal body of the county and the fiscal body of each city or town that lies either partially or entirely within that county.

(b) Using procedures described in this chapter, a county income tax council may adopt ordinances to:

- (1) impose the county option income tax in its county;
- (2) subject to section 12 of this chapter, rescind the county option income tax in its county;
- (3) increase the county option income tax rate for the county;
- (4) freeze the county option income tax rate for its county;
- (5) increase the homestead credit in its county; or
- (6) subject to section 12.5 of this chapter, decrease the county option income tax rate for the county.

~~(c) An ordinance adopted in a particular year under this chapter to impose or rescind the county option income tax or to increase its tax rate is effective July 1 of that year.~~

SECTION 12. IC 6-3.5-6-8, AS AMENDED BY P.L.224-2007, SECTION 70, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) The county income tax council of any county in which the county adjusted gross income tax will not be in effect on ~~October~~ **December** 1 of a year under an ordinance adopted during a previous calendar year may impose the county option income tax on the adjusted gross income of county taxpayers of its county. ~~effective October 1 of that same year.~~

(b) Except as provided in sections 30, 31, and 32 of this chapter, the county option income tax may initially be imposed at a rate of two-tenths of one percent (0.2%) on the resident county taxpayers of the county and at a rate of five-hundredths of one percent (0.05%) for all other county taxpayers.

(c) To impose the county option income tax, a county income tax council must ~~after March 31 but before August 1 of the year,~~ pass an ordinance. The ordinance must substantially state the following:

"The _____ County Income Tax Council imposes the county option income tax on the county taxpayers of _____ County. The county option income tax is imposed at a rate of two-tenths of one percent (0.2%) on the resident county taxpayers of the county and at a rate of five-hundredths of one percent (0.05%) on all other county taxpayers." ~~This tax takes effect October 1 of this year."~~

(d) Except as provided in sections 30, 31, and 32 of this chapter, if the county option income tax is imposed on the county taxpayers of a county, then the county option income tax rate that is in effect for resident county taxpayers of that county increases by one-tenth of one percent (0.1%) on each succeeding October 1 until the rate equals six-tenths of one percent (0.6%).

(e) The county option income tax rate in effect for the county



1 taxpayers of a county who are not resident county taxpayers of that
 2 county is at all times one-fourth (1/4) of the tax rate imposed upon
 3 resident county taxpayers.

4 (f) The auditor of a county shall record all votes taken on ordinances
 5 presented for a vote under this section and immediately send a certified
 6 copy of the results to the department by certified mail.

7 SECTION 13. IC 6-3.5-6-9, AS AMENDED BY P.L.224-2007,
 8 SECTION 71, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 9 UPON PASSAGE]: Sec. 9. (a) If on March 31 of a calendar year the
 10 county option income tax rate in effect for resident county taxpayers
 11 equals six tenths of one percent (0.6%), excluding a tax rate imposed
 12 under section 30, 31, or 32 of this chapter, the county income tax
 13 council of that county may ~~after March 31 and before August 1 of that~~
 14 ~~year~~ pass an ordinance to increase its tax rate for resident county
 15 taxpayers. If a county income tax council passes an ordinance under
 16 this section, its county option income tax rate for resident county
 17 taxpayers increases by one-tenth of one percent (0.1%) **in the year in**
 18 **which the ordinance is adopted, as provided in section 1.5 of this**
 19 **chapter, and on** each succeeding October 1 until its rate reaches a
 20 maximum of one percent (1%), excluding a tax rate imposed under
 21 section 30, 31, or 32 of this chapter.

22 (b) The auditor of the county shall record any vote taken on an
 23 ordinance proposed under the authority of this section and immediately
 24 send a certified copy of the results to the department by certified mail.

25 SECTION 14. IC 6-3.5-6-10, AS AMENDED BY P.L.224-2007,
 26 SECTION 72, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 27 UPON PASSAGE]: Sec. 10. If during a particular calendar year the
 28 county council of a county adopts an ordinance to impose the county
 29 adjusted gross income tax ~~in its county on October 1 of that year and~~
 30 **on the same day that** the county option income tax council of the
 31 county adopts an ordinance to impose the county option income tax, ~~in~~
 32 ~~the county on October 1 of that year,~~ the county option income tax
 33 takes effect in that county and the county adjusted gross income tax
 34 shall not take effect in that county.

35 SECTION 15. IC 6-3.5-6-11, AS AMENDED BY P.L.224-2007,
 36 SECTION 73, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 37 UPON PASSAGE]: Sec. 11. (a) This section does not apply to a tax
 38 rate imposed under section 30 of this chapter.

39 (b) The county income tax council of any county may adopt an
 40 ordinance to permanently freeze the county option income tax rates at
 41 the rate in effect for its county on ~~March 31~~ **December 1** of a year.

42 (c) To freeze the county option income tax rates, a county income
 43 tax council must ~~after March 31 but before August 1 of a year,~~ adopt
 44 an ordinance. The ordinance must substantially state the following:

45 "The _____ County Income Tax Council permanently
 46 freezes the county option income tax rates at the rate in effect on



1 ~~March 31~~ **December 1** of the current year."

2 (d) An ordinance adopted under the authority of this section remains
3 in effect until rescinded. ~~The county income tax council may rescind~~
4 ~~such an ordinance after March 31 but before August 1 of any calendar~~
5 ~~year. Such an ordinance shall take effect October 1 of that same~~
6 ~~calendar year.~~

7 (e) If a county income tax council rescinds an ordinance as adopted
8 under this section, the county option income tax rate shall
9 automatically increase by one-tenth of one percent ~~(0.01%)~~ **(0.1%)**
10 until:

11 (1) the tax rate is again frozen under another ordinance adopted
12 under this section; or

13 (2) the tax rate equals six-tenths of one percent (0.6%) (if the
14 frozen tax rate equaled an amount less than six-tenths of one
15 percent (0.6%)) or one percent (1%) (if the frozen tax rate equaled
16 an amount in excess of six-tenths of one percent (0.6%)).

17 (f) The county auditor shall record any vote taken on an ordinance
18 proposed under the authority of this section and immediately send a
19 certified copy of the results to the department by certified mail.

20 SECTION 16. IC 6-3.5-6-12, AS AMENDED BY P.L.224-2007,
21 SECTION 74, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
22 UPON PASSAGE]: Sec. 12. (a) The county option income tax imposed
23 by a county income tax council under this chapter remains in effect
24 until rescinded.

25 (b) Subject to subsection (c), the county income tax council of a
26 county may rescind the county option income tax by passing an
27 ordinance. ~~to rescind the tax after March 31 but before August 1 of a~~
28 ~~year.~~

29 (c) A county income tax council may not rescind the county option
30 income tax or take any action that would result in a civil taxing unit in
31 the county having a smaller distributive share than the distributive
32 share to which it was entitled when it pledged county option income
33 tax, if the civil taxing unit or any commission, board, department, or
34 authority that is authorized by statute to pledge county option income
35 tax, has pledged county option income tax for any purpose permitted
36 by IC 5-1-14 or any other statute.

37 (d) The auditor of a county shall record all votes taken on a
38 proposed ordinance presented for a vote under the authority of this
39 section and immediately send a certified copy of the results to the
40 department by certified mail.

41 SECTION 17. IC 6-3.5-6-12.5, AS AMENDED BY P.L.224-2007,
42 SECTION 75, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
43 UPON PASSAGE]: Sec. 12.5. (a) The county income tax council may
44 adopt an ordinance to decrease the county option income tax rate in
45 effect.

46 (b) To decrease the county option income tax rate, the county



income tax council must adopt an ordinance. ~~after March 31 but before August 1 of a year.~~ The ordinance must substantially state the following:

"The _____ County Income Tax Council decreases the county option income tax rate from _____ percent (____ %) to _____ percent (____ %).". ~~This ordinance takes effect October 1 of this year.~~

(c) A county income tax council may not decrease the county option income tax if the county or any commission, board, department, or authority that is authorized by statute to pledge the county option income tax has pledged the county option income tax for any purpose permitted by IC 5-1-14 or any other statute.

~~(d) An ordinance adopted under this subsection takes effect October 1 of the year in which the ordinance is adopted.~~

~~(e)~~ (d) The county auditor shall record the votes taken on an ordinance under this subsection and shall send a certified copy of the ordinance to the department by certified mail not more than thirty (30) days after the ordinance is adopted.

~~(f)~~ (e) Notwithstanding IC 6-3.5-7, a county income tax council that decreases the county option income tax in a year may not in the same year adopt or increase the county economic development income tax under IC 6-3.5-7.

SECTION 18. IC 6-3.5-6-13, AS AMENDED BY P.L.146-2008, SECTION 337, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. (a) A county income tax council of a county in which the county option income tax is in effect may adopt an ordinance to provide a homestead credit for homesteads in its county.

(b) A county income tax council may not provide a homestead credit percentage that exceeds the amount determined in the last STEP of the following formula:

STEP ONE: Determine the amount of the sum of all property tax levies for all taxing units in a county which are to be paid in the county in 2003 as reflected by the auditor's abstract for the 2002 assessment year, adjusted, however, for any postabstract adjustments which change the amount of the levies.

STEP TWO: Determine the amount of the county's estimated property tax replacement under IC 6-1.1-21-3(a) (before its repeal) for property taxes first due and payable in 2003.

STEP THREE: Subtract the STEP TWO amount from the STEP ONE amount.

STEP FOUR: Determine the amount of the county's total county levy (as defined in IC 6-1.1-21-2(g) before its repeal) for property taxes first due and payable in 2003.

STEP FIVE: Subtract the STEP FOUR amount from the STEP ONE amount.



STEP SIX: Subtract the STEP FIVE result from the STEP THREE result.

STEP SEVEN: Divide the STEP THREE result by the STEP SIX result.

STEP EIGHT: Multiply the STEP SEVEN result by eight-hundredths (0.08).

STEP NINE: Round the STEP EIGHT product to the nearest one-thousandth (0.001) and express the result as a percentage.

(c) The homestead credit percentage must be uniform for all homesteads in a county.

(d) In the ordinance that establishes the homestead credit percentage, a county income tax council may provide for a series of increases or decreases to take place for each of a group of succeeding calendar years.

~~(e) An ordinance may be adopted under this section after March 31 but before August 1 of a calendar year.~~

~~(f) An ordinance adopted under this section takes effect on January 1 of the next succeeding calendar year.~~

~~(g)~~ (e) Any ordinance adopted under this section for a county is repealed for a year if on January 1 of that year the county option income tax is not in effect.

SECTION 19. IC 6-3.5-6-14, AS AMENDED BY P.L.224-2007, SECTION 77, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. If for any taxable year a county taxpayer is subject to different tax rates for the county option income tax imposed by a particular county, the taxpayer's county option income tax rate for that county and that taxable year is the rate determined in the last STEP of the following STEPS:

STEP ONE: **For each tax rate in effect in a year**, multiply the number of months in the taxpayer's taxable year ~~that precede October 1 by in which~~ the rate is in effect. ~~before the rate change.~~

STEP TWO: ~~Multiply the number of months in the taxpayer's taxable year that follow September 30 by the rate in effect after the rate change.~~

~~STEP THREE:~~ **STEP TWO:** Divide the sum of the amounts determined under ~~STEPS STEP ONE and TWO~~ by twelve (12).

SECTION 20. IC 6-3.5-6-28, AS AMENDED BY P.L.182-2009(ss), SECTION 224, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 28. (a) This section applies only to Howard County.

(b) Maintaining low property tax rates is essential to economic development, and the use of county option income tax revenues as provided in this section and as needed in the county to fund the operation and maintenance of a jail and juvenile detention center, rather than the use of property taxes, promotes that purpose.

(c) In addition to the rates permitted by sections 8 and 9 of this



chapter, the county fiscal body may impose a county option income tax at a rate that does not exceed twenty-five hundredths percent (0.25%) on the adjusted gross income of resident county taxpayers. The tax rate may be adopted in any increment of one hundredth percent (0.01%). Before the county fiscal body may adopt a tax rate under this section, the county fiscal body must make the finding and determination set forth in subsection (d). Section 8(e) of this chapter applies to the application of the additional tax rate to nonresident taxpayers.

(d) In order to impose the county option income tax as provided in this section, the county fiscal body must adopt an ordinance:

- (1) finding and determining that revenues from the county option income tax are needed in the county to fund the operation and maintenance of a jail, a juvenile detention center, or both; and
- (2) agreeing to freeze the part of any property tax levy imposed in the county for the operation of the jail or juvenile detention center, or both, covered by the ordinance at the rate imposed in the year preceding the year in which a full year of additional county option income tax is certified for distribution to the county under this section for the term in which an ordinance is in effect under this section.

(e) If the county fiscal body makes a determination under subsection (d), the county fiscal body may adopt a tax rate under subsection (c). Subject to the limitations in subsection (c), the county fiscal body may amend an ordinance adopted under this section to increase, decrease, or rescind the additional tax rate imposed under this section. As soon as practicable after the adoption of an ordinance under this section, the county fiscal body shall send a certified copy of the ordinance to the county auditor, the department of local government finance, and the department of state revenue. ~~An ordinance adopted under this section before April 1 in a year applies to the imposition of county income taxes after June 30 in that year. An ordinance adopted under this section after March 31 of a year initially applies to the imposition of county option income taxes after June 30 of the immediately following year.~~

(f) The county treasurer shall establish a county jail revenue fund to be used only for the purposes described in this section. County option income tax revenues derived from the tax rate imposed under this section shall be deposited in the county jail revenue fund before making a certified distribution under section 18 of this chapter.

(g) County option income tax revenues derived from the tax rate imposed under this section:

- (1) may only be used for the purposes described in this section; and
- (2) may not be considered by the department of local government finance in determining the county's maximum permissible property tax levy limit under IC 6-1.1-18.5.



1 (h) The department of local government finance shall enforce an
2 agreement under subsection (d)(2).

3 (i) The budget agency shall adjust the certified distribution of a
4 county to provide for an increased distribution of taxes in the
5 immediately following calendar year after the county adopts an
6 increased tax rate under this section and in each calendar year
7 thereafter. The budget agency shall provide for a full transition to
8 certification of distributions as provided in section 17(a)(1) through
9 17(a)(2) of this chapter in the manner provided in section 17(c) of this
10 chapter.

11 (j) The department shall separately designate a tax rate imposed
12 under this section in any tax form as the Howard County jail operating
13 and maintenance income tax.

14 SECTION 21. IC 6-3.5-6-29, AS AMENDED BY P.L.182-2009(ss),
15 SECTION 225, IS AMENDED TO READ AS FOLLOWS
16 [EFFECTIVE UPON PASSAGE]: Sec. 29. (a) This section applies only
17 to Scott County. Scott County is a county in which:

18 (1) maintaining low property tax rates is essential to economic
19 development; and

20 (2) the use of additional county option income tax revenues as
21 provided in this section, rather than the use of property taxes, to
22 fund:

23 (A) the financing, construction, acquisition, improvement,
24 renovation, equipping, operation, or maintenance of jail
25 facilities; and

26 (B) the repayment of bonds issued or leases entered into for
27 the purposes described in clause (A), except operation or
28 maintenance;

29 promotes the purpose of maintaining low property tax rates.

30 (b) The county fiscal body may impose the county option income tax
31 on the adjusted gross income of resident county taxpayers at a rate, in
32 addition to the rates permitted by sections 8 and 9 of this chapter, not
33 to exceed twenty-five hundredths percent (0.25%). Section 8(e) of this
34 chapter applies to the application of the additional rate to nonresident
35 taxpayers.

36 (c) To impose the county option income tax as provided in this
37 section, the county fiscal body must adopt an ordinance finding and
38 determining that additional revenues from the county option income tax
39 are needed in the county to fund:

40 (1) the financing, construction, acquisition, improvement,
41 renovation, equipping, operation, or maintenance of jail facilities;
42 and

43 (2) the repayment of bonds issued or leases entered into for the
44 purposes described in subdivision (1), except operation or
45 maintenance.

46 (d) If the county fiscal body makes a determination under subsection



(c), the county fiscal body may adopt an additional tax rate under subsection (b). Subject to the limitations in subsection (b), the county fiscal body may amend an ordinance adopted under this section to increase, decrease, or rescind the additional tax rate imposed under this section. As soon as practicable after the adoption of an ordinance under this section, the county fiscal body shall send a certified copy of the ordinance to the county auditor, the department of local government finance, and the department. ~~An ordinance adopted under this section before June 1, 2006, or August 1 in a subsequent year applies to the imposition of county income taxes after June 30 (in the case of an ordinance adopted before June 1, 2006) or September 30 (in the case of an ordinance adopted in 2007 or thereafter) in that year. An ordinance adopted under this section after May 31, 2006, or July 31 of a subsequent year initially applies to the imposition of county option income taxes after June 30 (in the case of an ordinance adopted before June 1, 2006) or September 30 (in the case of an ordinance adopted in 2007 or thereafter) of the immediately following year.~~

(e) If the county imposes an additional tax rate under this section, the county treasurer shall establish a county jail revenue fund to be used only for the purposes described in this section. County option income tax revenues derived from the tax rate imposed under this section shall be deposited in the county jail revenue fund before making a certified distribution under section 18 of this chapter.

(f) County option income tax revenues derived from an additional tax rate imposed under this section:

- (1) may be used only for the purposes described in this section;
- (2) may not be considered by the department of local government finance in determining the county's maximum permissible property tax levy limit under IC 6-1.1-18.5; and
- (3) may be pledged for the repayment of bonds issued or leases entered into to fund the purposes described in subsection (c)(1), except operation or maintenance.

(g) If the county imposes an additional tax rate under this section, the budget agency shall adjust the certified distribution of the county to provide for an increased distribution of taxes in the immediately following calendar year after the county adopts the increased tax rate and in each calendar year thereafter. The budget agency shall provide for a full transition to certification of distributions as provided in section 17(a)(1) through 17(a)(2) of this chapter in the manner provided in section 17(c) of this chapter.

SECTION 22. IC 6-3.5-6-30, AS AMENDED BY P.L.146-2008, SECTION 341, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 30. (a) In a county in which the county option income tax is in effect, the county income tax council may ~~before August 1 of a year,~~ adopt an ordinance to impose or increase (as applicable) a tax rate under this section.



(b) In a county in which neither the county option adjusted gross income tax nor the county option income tax is in effect, the county income tax council may ~~before August 1 of a year~~, adopt an ordinance to impose a tax rate under this section.

(c) ~~An ordinance adopted under this section takes effect October 1 of the year in which the ordinance is adopted.~~ If a county income tax council adopts an ordinance to impose or increase a tax rate under this section, the county auditor shall send a certified copy of the ordinance to the department and the department of local government finance by certified mail.

(d) A tax rate under this section is in addition to any other tax rates imposed under this chapter and does not affect the purposes for which other tax revenue under this chapter may be used.

(e) The following apply only in the year in which a county income tax council first imposes a tax rate under this section:

(1) The county income tax council shall, in the ordinance imposing the tax rate, specify the tax rate for each of the following two (2) years.

(2) The tax rate that must be imposed in the county ~~from October 1 of the year in which the tax rate is imposed through September 30 of the following year in the first year~~ is equal to the result of:

(A) the tax rate determined for the county under IC 6-3.5-1.5-1(a) in that year; multiplied by

(B) the following:

(i) In a county containing a consolidated city, one and five-tenths (1.5).

(ii) In a county other than a county containing a consolidated city, two (2).

(3) The tax rate that must be imposed in the county ~~from October 1 of the following year through September 30 of the year after the following year in the second year~~ is the tax rate determined for the county under IC 6-3.5-1.5-1(b). The tax rate under this subdivision continues in effect in later years unless the tax rate is increased under this section.

(4) The levy limitations in IC 6-1.1-18.5-3(g), IC 6-1.1-18.5-3(h), IC 12-19-7-4(b) (before its repeal), IC 12-19-7.5-6(b) (before its repeal), and IC 12-29-2-2(c) apply to property taxes first due and payable in the ensuing calendar year and to property taxes first due and payable in the calendar year after the ensuing calendar year.

(f) The following apply only in a year in which a county income tax council increases a tax rate under this section:

(1) The county income tax council shall, in the ordinance increasing the tax rate, specify the tax rate for the following year.

(2) The tax rate that must be imposed in the county ~~from October 1 of the year in which the tax rate is increased through September~~



30 of the following year is equal to the result of:

- (A) the tax rate determined for the county under IC 6-3.5-1.5-1(a) in the year the tax rate is increased; plus
- (B) the tax rate currently in effect in the county under this section.

The tax rate under this subdivision continues in effect in later years unless the tax rate is increased under this section.

(3) The levy limitations in IC 6-1.1-18.5-3(g), IC 6-1.1-18.5-3(h), IC 12-19-7-4(b) (before its repeal), IC 12-19-7.5-6(b) (before its repeal), and IC 12-29-2-2(c) apply to property taxes first due and payable in the ensuing calendar year.

(g) The department of local government finance shall determine the following property tax replacement distribution amounts:

STEP ONE: Determine the sum of the amounts determined under STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(a) for the county in the preceding year.

STEP TWO: For distribution to each civil taxing unit that in the year had a maximum permissible property tax levy limited under IC 6-1.1-18.5-3(g), determine the result of:

(1) the quotient of:

(A) the part of the amount determined under STEP ONE of IC 6-3.5-1.5-1(a) in the preceding year that was attributable to the civil taxing unit; divided by

(B) the STEP ONE amount; multiplied by

(2) the tax revenue received by the county treasurer under this section.

STEP THREE: For distributions in 2009 and thereafter, the result of this STEP is zero (0). For distribution to the county for deposit in the county family and children's fund before 2009, determine the result of:

(1) the quotient of:

(A) the amount determined under STEP TWO of IC 6-3.5-1.5-1(a) in the preceding year; divided by

(B) the STEP ONE amount; multiplied by

(2) the tax revenue received by the county treasurer under this section.

STEP FOUR: For distributions in 2009 and thereafter, the result of this STEP is zero (0). For distribution to the county for deposit in the county children's psychiatric residential treatment services fund before 2009, determine the result of:

(1) the quotient of:

(A) the amount determined under STEP THREE of IC 6-3.5-1.5-1(a) in the preceding year; divided by

(B) the STEP ONE amount; multiplied by

(2) the tax revenue received by the county treasurer under this section.



STEP FIVE: For distribution to the county for community mental health center purposes, determine the result of:

(1) the quotient of:

(A) the amount determined under STEP FOUR of IC 6-3.5-1.5-1(a) in the preceding year; divided by

(B) the STEP ONE amount; multiplied by

(2) the tax revenue received by the county treasurer under this section.

Except as provided in subsection (m), the county treasurer shall distribute the portion of the certified distribution that is attributable to a tax rate under this section as specified in this section. The county treasurer shall make the distributions under this subsection at the same time that distributions are made to civil taxing units under section 18 of this chapter.

(h) Notwithstanding sections 12 and 12.5 of this chapter, a county income tax council may not decrease or rescind a tax rate imposed under this ~~chapter~~ **section**.

(i) The tax rate under this section shall not be considered for purposes of computing:

(1) the maximum income tax rate that may be imposed in a county under section 8 or 9 of this chapter or any other provision of this chapter; or

(2) the maximum permissible property tax levy under STEP EIGHT of IC 6-1.1-18.5-3(b).

(j) The tax levy under this section shall not be considered for purposes of ~~computing the total county tax levy under IC 6-1.1-21-2(g)(3); IC 6-1.1-21-2(g)(4); or IC 6-1.1-21-2(g)(5) (before the repeat of those provisions)~~ or for purposes of the credit under IC 6-1.1-20.6.

(k) A distribution under this section shall be treated as a part of the receiving civil taxing unit's property tax levy for that year for purposes of fixing its budget and for determining the distribution of taxes that are distributed on the basis of property tax levies.

(l) If a county income tax council imposes a tax rate under this section, the county option income tax rate dedicated to locally funded homestead credits in the county may not be decreased.

(m) In the year following the year in which a county first imposes a tax rate under this section:

(1) one-third (1/3) of the tax revenue that is attributable to the tax rate under this section must be deposited in the county stabilization fund established under subsection (o), in the case of a county containing a consolidated city; and

(2) one-half (1/2) of the tax revenue that is attributable to the tax rate under this section must be deposited in the county stabilization fund established under subsection (o), in the case of a county not containing a consolidated city.



(n) A pledge of county option income taxes does not apply to revenue attributable to a tax rate under this section.

(o) A county stabilization fund is established in each county that imposes a tax rate under this section. The county stabilization fund shall be administered by the county auditor. If for a year the certified distributions attributable to a tax rate under this section exceed the amount calculated under STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(a) that is used by the department of local government finance and the department of state revenue to determine the tax rate under this section, the excess shall be deposited in the county stabilization fund. Money shall be distributed from the county stabilization fund in a year by the county auditor to political subdivisions entitled to a distribution of tax revenue attributable to the tax rate under this section if:

(1) the certified distributions attributable to a tax rate under this section are less than the amount calculated under STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(a) that is used by the department of local government finance and the department of state revenue to determine the tax rate under this section for a year; or

(2) the certified distributions attributable to a tax rate under this section in a year are less than the certified distributions attributable to a tax rate under this section in the preceding year. However, subdivision (2) does not apply to the year following the first year in which certified distributions of revenue attributable to the tax rate under this section are distributed to the county.

(p) Notwithstanding any other provision, a tax rate imposed under this section may not exceed one percent (1%).

(q) A county income tax council must each year hold at least one (1) public meeting at which the county council discusses whether the tax rate under this section should be imposed or increased.

(r) The department of local government finance and the department of state revenue may take any actions necessary to carry out the purposes of this section.

(s) Notwithstanding any other provision, in Lake County the county council (and not the county income tax council) is the entity authorized to take actions concerning the additional tax rate under this section.

SECTION 23. IC 6-3.5-6-33, AS AMENDED BY P.L.182-2009(ss), SECTION 226, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 33. (a) This section applies only to Monroe County.

(b) Maintaining low property tax rates is essential to economic development, and the use of county option income tax revenues as provided in this chapter and as needed in the county to fund the operation and maintenance of a juvenile detention center and other facilities to provide juvenile services, rather than the use of property



1 taxes, promotes that purpose.

2 (c) In addition to the rates permitted by sections 8 and 9 of this
3 chapter, the county fiscal body may impose an additional county option
4 income tax at a rate of not more than twenty-five hundredths percent
5 (0.25%) on the adjusted gross income of resident county taxpayers if
6 the county fiscal body makes the finding and determination set forth in
7 subsection (d). Section 8(e) of this chapter applies to the application of
8 the additional rate to nonresident taxpayers.

9 (d) In order to impose the county option income tax as provided in
10 this section, the county fiscal body must adopt an ordinance:

11 (1) finding and determining that revenues from the county option
12 income tax are needed in the county to fund the operation and
13 maintenance of a juvenile detention center and other facilities
14 necessary to provide juvenile services; and

15 (2) agreeing to freeze for the term in which an ordinance is in
16 effect under this section the part of any property tax levy imposed
17 in the county for the operation of the juvenile detention center and
18 other facilities covered by the ordinance at the rate imposed in the
19 year preceding the year in which a full year of additional county
20 option income tax is certified for distribution to the county under
21 this section.

22 (e) If the county fiscal body makes a determination under subsection
23 (d), the county fiscal body may adopt a tax rate under subsection (c).
24 Subject to the limitations in subsection (c), the county fiscal body may
25 amend an ordinance adopted under this section to increase, decrease,
26 or rescind the additional tax rate imposed under this section. As soon
27 as practicable after the adoption of an ordinance under this section, the
28 county fiscal body shall send a certified copy of the ordinance to the
29 county auditor, the department of local government finance, and the
30 department of state revenue. ~~An ordinance adopted under this section~~
31 ~~before August 1 in a year applies to the imposition of county income~~
32 ~~taxes after September 30 in that year. An ordinance adopted under this~~
33 ~~section after July 31 of a year initially applies to the imposition of~~
34 ~~county option income taxes after September 30 of the immediately~~
35 ~~following year.~~

36 (f) The county treasurer shall establish a county juvenile detention
37 center revenue fund to be used only for the purposes described in this
38 section. County option income tax revenues derived from the tax rate
39 imposed under this section shall be deposited in the county juvenile
40 detention center revenue fund before a certified distribution is made
41 under section 18 of this chapter.

42 (g) County option income tax revenues derived from the tax rate
43 imposed under this section:

44 (1) may be used only for the purposes described in this section;
45 and
46 (2) may not be considered by the department of local government



1 finance in determining the county's maximum permissible
2 property tax levy limit under IC 6-1.1-18.5.

3 (h) The department of local government finance shall enforce an
4 agreement made under subsection (d)(2).

5 (i) The budget agency shall adjust the certified distribution of a
6 county to provide for an increased distribution of taxes in the
7 immediately following calendar year after the county adopts an
8 increased tax rate under this section and in each calendar year
9 thereafter. The budget agency shall provide for a full transition to
10 certification of distributions as provided in section 17(a)(1) through
11 17(a)(2) of this chapter in the manner provided in section 17(c) of this
12 chapter.

13 SECTION 24. IC 6-3.5-7-5, AS AMENDED BY P.L.146-2008,
14 SECTION 344, IS AMENDED TO READ AS FOLLOWS
15 [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) Except as provided in
16 subsection (c), the county economic development income tax may be
17 imposed on the adjusted gross income of county taxpayers. The entity
18 that may impose the tax is:

- 19 (1) the county income tax council (as defined in IC 6-3.5-6-1) if
20 the county option income tax is in effect on March 31 of the year
21 the county economic development income tax is imposed;
- 22 (2) the county council if the county adjusted gross income tax is
23 in effect on March 31 of the year the county economic
24 development tax is imposed; or
- 25 (3) the county income tax council or the county council,
26 whichever acts first, for a county not covered by subdivision (1)
27 or (2).

28 To impose the county economic development income tax, a county
29 income tax council shall use the procedures set forth in IC 6-3.5-6
30 concerning the imposition of the county option income tax.

31 (b) Except as provided in subsections (c), (g), (k), (p), and (r) and
32 section 28 of this chapter, the county economic development income
33 tax may be imposed at a rate of:

- 34 (1) one-tenth percent (0.1%);
- 35 (2) two-tenths percent (0.2%);
- 36 (3) twenty-five hundredths percent (0.25%);
- 37 (4) three-tenths percent (0.3%);
- 38 (5) thirty-five hundredths percent (0.35%);
- 39 (6) four-tenths percent (0.4%);
- 40 (7) forty-five hundredths percent (0.45%); or
- 41 (8) five-tenths percent (0.5%);

42 on the adjusted gross income of county taxpayers.

43 (c) Except as provided in subsection (h), (i), (j), (k), (l), (m), (n), (o),
44 (p), (s), (v), (w), (x), or (y), the county economic development income
45 tax rate plus the county adjusted gross income tax rate, if any, that are
46 in effect on January 1 of a year may not exceed one and twenty-five



hundredths percent (1.25%). Except as provided in subsection (g), (p), (r), (t), (u), (w), (x), or (y), the county economic development tax rate plus the county option income tax rate, if any, that are in effect on January 1 of a year may not exceed one percent (1%).

(d) To impose, increase, decrease, or rescind the county economic development income tax, the appropriate body must ~~after March 31 but before August 1 of a year~~, adopt an ordinance.

(e) The ordinance to impose the tax must substantially state the following:

"The _____ County _____ imposes the county economic development income tax on the county taxpayers of _____ County. The county economic development income tax is imposed at a rate of _____ percent (____%) on the county taxpayers of the county." ~~This tax takes effect October 1 of this year.~~

~~(e) Any ordinance adopted under this chapter takes effect October 1 of the year the ordinance is adopted.~~

(f) The auditor of a county shall record all votes taken on ordinances presented for a vote under the authority of this chapter and shall, not more than ten (10) days after the vote, send a certified copy of the results to the commissioner of the department by certified mail.

(g) This subsection applies to a county having a population of more than one hundred forty-eight thousand (148,000) but less than one hundred seventy thousand (170,000). Except as provided in subsection (p), in addition to the rates permitted by subsection (b), the:

(1) county economic development income tax may be imposed at a rate of:

(A) fifteen-hundredths percent (0.15%);

(B) two-tenths percent (0.2%); or

(C) twenty-five hundredths percent (0.25%); and

(2) county economic development income tax rate plus the county option income tax rate that are in effect on January 1 of a year may equal up to one and twenty-five hundredths percent (1.25%); if the county income tax council makes a determination to impose rates under this subsection and section 22 of this chapter.

(h) For a county having a population of more than forty-one thousand (41,000) but less than forty-three thousand (43,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and thirty-five hundredths percent (1.35%) if the county has imposed the county adjusted gross income tax at a rate of one and one-tenth percent (1.1%) under IC 6-3.5-1.1-2.5.

(i) For a county having a population of more than thirteen thousand five hundred (13,500) but less than fourteen thousand (14,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are



in effect on January 1 of a year may not exceed one and fifty-five hundredths percent (1.55%).

(j) For a county having a population of more than seventy-one thousand (71,000) but less than seventy-one thousand four hundred (71,400), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(k) This subsection applies to a county having a population of more than twenty-seven thousand four hundred (27,400) but less than twenty-seven thousand five hundred (27,500). Except as provided in subsection (p), in addition to the rates permitted under subsection (b):

(1) the county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and

(2) the sum of the county economic development income tax rate and the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%);

if the county council makes a determination to impose rates under this subsection and section 22.5 of this chapter.

(l) For a county having a population of more than twenty-nine thousand (29,000) but less than thirty thousand (30,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(m) For:

(1) a county having a population of more than one hundred eighty-two thousand seven hundred ninety (182,790) but less than two hundred thousand (200,000); or

(2) a county having a population of more than forty-five thousand (45,000) but less than forty-five thousand nine hundred (45,900); except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(n) For a county having a population of more than six thousand (6,000) but less than eight thousand (8,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(o) This subsection applies to a county having a population of more than thirty-nine thousand (39,000) but less than thirty-nine thousand six hundred (39,600). Except as provided in subsection (p), in addition to the rates permitted under subsection (b):

(1) the county economic development income tax may be imposed



at a rate of twenty-five hundredths percent (0.25%); and
 (2) the sum of the county economic development income tax rate
 and:

(A) the county adjusted gross income tax rate that are in effect
 on January 1 of a year may not exceed one and five-tenths
 percent (1.5%); or

(B) the county option income tax rate that are in effect on
 January 1 of a year may not exceed one and twenty-five
 hundredths percent (1.25%);

if the county council makes a determination to impose rates under this
 subsection and section 24 of this chapter.

(p) In addition:

(1) the county economic development income tax may be imposed
 at a rate that exceeds by not more than twenty-five hundredths
 percent (0.25%) the maximum rate that would otherwise apply
 under this section; and

(2) the:

(A) county economic development income tax; and

(B) county option income tax or county adjusted gross income
 tax;

may be imposed at combined rates that exceed by not more than
 twenty-five hundredths percent (0.25%) the maximum combined
 rates that would otherwise apply under this section.

However, the additional rate imposed under this subsection may not
 exceed the amount necessary to mitigate the increased ad valorem
 property taxes on homesteads (as defined in IC 6-1.1-20.9-1 before
 January 1, 2009, or IC 6-1.1-12-37 after December 31, 2008) or
 residential property (as defined in section 26 of this chapter), as
 appropriate under the ordinance adopted by the adopting body in the
 county, resulting from the deduction of the assessed value of inventory
 in the county under IC 6-1.1-12-41 or IC 6-1.1-12-42 or from the
 exclusion in 2008 of inventory from the definition of personal property
 in IC 6-1.1-1-11.

(q) If the county economic development income tax is imposed as
 authorized under subsection (p) at a rate that exceeds the maximum
 rate that would otherwise apply under this section, the certified
 distribution must be used for the purpose provided in section 25(e) or
 26 of this chapter to the extent that the certified distribution results
 from the difference between:

(1) the actual county economic development tax rate; and

(2) the maximum rate that would otherwise apply under this
 section.

(r) This subsection applies only to a county described in section 27
 of this chapter. Except as provided in subsection (p), in addition to the
 rates permitted by subsection (b), the:

(1) county economic development income tax may be imposed at



1 a rate of twenty-five hundredths percent (0.25%); and
 2 (2) county economic development income tax rate plus the county
 3 option income tax rate that are in effect on January 1 of a year
 4 may equal up to one and twenty-five hundredths percent (1.25%);
 5 if the county council makes a determination to impose rates under this
 6 subsection and section 27 of this chapter.

7 (s) Except as provided in subsection (p), the county economic
 8 development income tax rate plus the county adjusted gross income tax
 9 rate that are in effect on January 1 of a year may not exceed one and
 10 five-tenths percent (1.5%) if the county has imposed the county
 11 adjusted gross income tax under IC 6-3.5-1.1-3.3.

12 (t) This subsection applies to Howard County. Except as provided
 13 in subsection (p), the sum of the county economic development income
 14 tax rate and the county option income tax rate that are in effect on
 15 January 1 of a year may not exceed one and twenty-five hundredths
 16 percent (1.25%).

17 (u) This subsection applies to Scott County. Except as provided in
 18 subsection (p), the sum of the county economic development income
 19 tax rate and the county option income tax rate that are in effect on
 20 January 1 of a year may not exceed one and twenty-five hundredths
 21 percent (1.25%).

22 (v) This subsection applies to Jasper County. Except as provided in
 23 subsection (p), the sum of the county economic development income
 24 tax rate and the county adjusted gross income tax rate that are in effect
 25 on January 1 of a year may not exceed one and five-tenths percent
 26 (1.5%).

27 (w) An additional county economic development income tax rate
 28 imposed under section 28 of this chapter may not be considered in
 29 calculating any limit under this section on the sum of:

- 30 (1) the county economic development income tax rate plus the
- 31 county adjusted gross income tax rate; or
- 32 (2) the county economic development tax rate plus the county
- 33 option income tax rate.

34 (x) The income tax rate limits imposed by subsection (c) or (y) or
 35 any other provision of this chapter do not apply to:

- 36 (1) a county adjusted gross income tax rate imposed under
- 37 IC 6-3.5-1.1-24, IC 6-3.5-1.1-25, or IC 6-3.5-1.1-26; or
- 38 (2) a county option income tax rate imposed under IC 6-3.5-6-30,
- 39 IC 6-3.5-6-31, or IC 6-3.5-6-32.

40 For purposes of computing the maximum combined income tax rate
 41 under subsection (c) or (y) or any other provision of this chapter that
 42 may be imposed in a county under IC 6-3.5-1.1, IC 6-3.5-6, and this
 43 chapter, a county's county adjusted gross income tax rate or county
 44 option income tax rate for a particular year does not include the county
 45 adjusted gross income tax rate imposed under IC 6-3.5-1.1-24,
 46 IC 6-3.5-1.1-25, or IC 6-3.5-1.1-26 or the county option income tax rate



imposed under IC 6-3.5-6-30, IC 6-3.5-6-31, or IC 6-3.5-6-32.

(y) This subsection applies to Monroe County. Except as provided in subsection (p), if an ordinance is adopted under IC 6-3.5-6-33, the sum of the county economic development income tax rate and the county option income tax rate that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%).

SECTION 25. IC 6-3.5-7-6, AS AMENDED BY P.L.224-2007, SECTION 88, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) The body imposing the tax may decrease or increase the county economic development income tax rate imposed upon the county taxpayers as long as the resulting rate does not exceed the rates specified in section 5(b) and 5(c) or 5(g) of this chapter. The rate imposed under this section must be adopted at one (1) of the rates specified in section 5(b) of this chapter. To decrease or increase the rate, the appropriate body must ~~after March 31 but before August 1 of a year,~~ adopt an ordinance. The ordinance must substantially state the following:

"The _____ County _____ increases (decreases) the county economic development income tax rate imposed upon the county taxpayers of the county from _____ percent (____%) to _____ percent (____%)." ~~This tax rate increase (decrease) takes effect October 1 of this year."~~

~~(b) Any ordinance adopted under this section takes effect October 1 of the year the ordinance is adopted.~~

~~(c)~~ (b) The auditor of a county shall record all votes taken on ordinances presented for a vote under the authority of this section and immediately send a certified copy of the results to the department by certified mail.

SECTION 26. IC 6-3.5-7-7, AS AMENDED BY P.L.224-2007, SECTION 89, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) The county economic development income tax imposed under this chapter remains in effect until rescinded.

(b) Subject to section 14 of this chapter, the body imposing the county economic development income tax may rescind the tax by adopting an ordinance. ~~to rescind the tax after March 31 but before August 1 of a year.~~

~~(c) Any ordinance adopted under this section takes effect October 1 of the year the ordinance is adopted.~~

~~(d)~~ (c) The auditor of a county shall record all votes taken on ordinances presented for a vote under the authority of this section and immediately send a certified copy of the results to the department by certified mail.

SECTION 27. IC 6-3.5-7-12, AS AMENDED BY P.L.182-2009(ss), SECTION 229, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) Except as provided in



sections 23, 25, 26, 27, and 28 of this chapter, the county auditor shall distribute in the manner specified in this section the certified distribution to the county.

(b) Except as provided in subsections (c) and (h) and sections 15 and 25 of this chapter, and subject to adjustment as provided in IC 36-8-19-7.5, the amount of the certified distribution that the county and each city or town in a county is entitled to receive during May and November of each year equals the product of the following:

(1) The amount of the certified distribution for that month; multiplied by

(2) A fraction. The numerator of the fraction equals the sum of:

(A) total property taxes that are first due and payable to the county, city, or town during the calendar year in which the month falls; plus

(B) for a county, the welfare allocation amount.

The denominator of the fraction equals the sum of the total property taxes that are first due and payable to the county and all cities and towns of the county during the calendar year in which the month falls, plus the welfare allocation amount. The welfare allocation amount is an amount equal to the sum of the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund and, if the county received a certified distribution under this chapter in 2008, the property taxes imposed by the county in 2008 for the county's county medical assistance to wards fund, family and children's fund, children's psychiatric residential treatment services fund, county hospital care for the indigent fund, and children with special health care needs county fund.

(c) This subsection applies to a county council or county income tax council that imposes a tax under this chapter after June 1, 1992. The body imposing the tax may adopt an ordinance before ~~July 1~~ **August 2** of a year to provide for the distribution of certified distributions under this subsection instead of a distribution under subsection (b). The following apply if an ordinance is adopted under this subsection:

(1) The ordinance is effective January 1 of the following year.

(2) Except as provided in sections 25 and 26 of this chapter, the amount of the certified distribution that the county and each city and town in the county is entitled to receive during May and November of each year equals the product of:

(A) the amount of the certified distribution for the month; multiplied by

(B) a fraction. For a city or town, the numerator of the fraction equals the population of the city or the town. For a county, the numerator of the fraction equals the population of the part of the county that is not located in a city or town. The denominator of the fraction equals the sum of the population



1 of all cities and towns located in the county and the population
2 of the part of the county that is not located in a city or town.

3 (3) The ordinance may be made irrevocable for the duration of
4 specified lease rental or debt service payments.

5 (d) The body imposing the tax may not adopt an ordinance under
6 subsection (c) if, before the adoption of the proposed ordinance, any of
7 the following have pledged the county economic development income
8 tax for any purpose permitted by IC 5-1-14 or any other statute:

9 (1) The county.

10 (2) A city or town in the county.

11 (3) A commission, a board, a department, or an authority that is
12 authorized by statute to pledge the county economic development
13 income tax.

14 (e) The department of local government finance shall provide each
15 county auditor with the fractional amount of the certified distribution
16 that the county and each city or town in the county is entitled to receive
17 under this section.

18 (f) Money received by a county, city, or town under this section
19 shall be deposited in the unit's economic development income tax fund.

20 (g) Except as provided in subsection (b)(2)(B), in determining the
21 fractional amount of the certified distribution the county and its cities
22 and towns are entitled to receive under subsection (b) during a calendar
23 year, the department of local government finance shall consider only
24 property taxes imposed on tangible property subject to assessment in
25 that county.

26 (h) In a county having a consolidated city, only the consolidated city
27 is entitled to the certified distribution, subject to the requirements of
28 sections 15, 25, and 26 of this chapter.

29 SECTION 28. IC 6-3.5-7-13.1, AS AMENDED BY
30 P.L.182-2009(ss), SECTION 227, IS AMENDED TO READ AS
31 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13.1. (a) The fiscal
32 officer of each county, city, or town for a county in which the county
33 economic development tax is imposed shall establish an economic
34 development income tax fund. Except as provided in sections 23, 25,
35 26, and 27 of this chapter, the revenue received by a county, city, or
36 town under this chapter shall be deposited in the unit's economic
37 development income tax fund.

38 (b) As used in this subsection, "homestead" means a homestead that
39 is eligible for a standard deduction under IC 6-1.1-12-37. Except as
40 provided in sections 15, 23, 25, 26, and 27 of this chapter, revenues
41 from the county economic development income tax may be used as
42 follows:

43 (1) By a county, city, or town for economic development projects,
44 for paying, notwithstanding any other law, under a written
45 agreement all or a part of the interest owed by a private developer
46 or user on a loan extended by a financial institution or other



lender to the developer or user if the proceeds of the loan are or are to be used to finance an economic development project, for the retirement of bonds under section 14 of this chapter for economic development projects, for leases under section 21 of this chapter, or for leases or bonds entered into or issued prior to the date the economic development income tax was imposed if the purpose of the lease or bonds would have qualified as a purpose under this chapter at the time the lease was entered into or the bonds were issued.

(2) By a county, city, or town for:

(A) the construction or acquisition of, or remedial action with respect to, a capital project for which the unit is empowered to issue general obligation bonds or establish a fund under any statute listed in IC 6-1.1-18.5-9.8;

(B) the retirement of bonds issued under any provision of Indiana law for a capital project;

(C) the payment of lease rentals under any statute for a capital project;

(D) contract payments to a nonprofit corporation whose primary corporate purpose is to assist government in planning and implementing economic development projects;

(E) operating expenses of a governmental entity that plans or implements economic development projects;

(F) to the extent not otherwise allowed under this chapter, funding substance removal or remedial action in a designated unit; or

(G) funding of a revolving fund established under IC 5-1-14-14.

(3) By a county, city, or town for any lawful purpose for which money in any of its other funds may be used.

(4) By a city or county described in IC 36-7.5-2-3(b) for making transfers required by IC 36-7.5-4-2. If the county economic development income tax rate is increased after April 30, 2005, in a county having a population of more than one hundred forty-five thousand (145,000) but less than one hundred forty-eight thousand (148,000), the first three million five hundred thousand dollars (\$3,500,000) of the tax revenue that results each year from the tax rate increase shall be used by the county or by eligible municipalities (as defined in IC 36-7.5-1-11.3) in the county only to make the county's transfer required by IC 36-7.5-4-2. The first three million five hundred thousand dollars (\$3,500,000) of the tax revenue that results each year from the tax rate increase shall be paid by the county treasurer to the treasurer of the northwest Indiana regional development authority under IC 36-7.5-4-2 before certified distributions are made to the county or any cities or towns in the county under this chapter from the tax revenue



that results each year from the tax rate increase. If a county having a population of more than one hundred forty-five thousand (145,000) but less than one hundred forty-eight thousand (148,000) ceases to be a member of the northwest Indiana regional development authority under IC 36-7.5 but two (2) or more municipalities in the county have become members of the northwest Indiana regional development authority as authorized by IC 36-7.5-2-3(i), the county treasurer shall continue to transfer the three million five hundred thousand dollars (\$3,500,000) to the treasurer of the northwest Indiana regional development authority under IC 36-7.5-4-2 before certified distributions are made to the county or any cities or towns in the county. In a county having a population of more than one hundred forty-five thousand (145,000) but less than one hundred forty-eight thousand (148,000), all of the tax revenue that results each year from the tax rate increase that is in excess of the first three million five hundred thousand dollars (\$3,500,000) that results each year from the tax rate increase must be used by the county and cities and towns in the county for homestead credits under subdivision (5).

(5) This subdivision applies only in a county having a population of more than one hundred forty-five thousand (145,000) but less than one hundred forty-eight thousand (148,000). All of the tax revenue that results each year from a tax rate increase described in subdivision (4) that is in excess of the first three million five hundred thousand dollars (\$3,500,000) that results each year from the tax rate increase must be used by the county and cities and towns in the county for homestead credits under this subdivision. The following apply to homestead credits provided under this subdivision:

(A) The homestead credits must be applied uniformly to provide a homestead credit for homesteads in the county, city, or town.

(B) The homestead credits shall be treated for all purposes as property tax levies.

(C) The homestead credits shall be applied to the net property taxes due on the homestead after the application of all other assessed value deductions or property tax deductions and credits that apply to the amount owed under IC 6-1.1.

(D) The department of local government finance shall determine the homestead credit percentage for a particular year based on the amount of county economic development income tax revenue that will be used under this subdivision to provide homestead credits in that year.

(6) This subdivision applies only in a county having a population of more than four hundred thousand (400,000) but less than seven



1 hundred thousand (700,000). A county or a city or town in the
 2 county may use county economic development income tax
 3 revenue to provide homestead credits in the county, city, or town.
 4 The following apply to homestead credits provided under this
 5 subdivision:

6 (A) The county, city, or town fiscal body must adopt an
 7 ordinance authorizing the homestead credits. The ordinance
 8 must

9 ~~(i) be adopted before September 1 of a year to apply to~~
 10 ~~property taxes first due and payable in the following year;~~
 11 ~~and~~

12 ~~(ii) specify the amount of county economic development~~
 13 ~~income tax revenue that will be used to provide homestead~~
 14 ~~credits in the following year.~~

15 (B) A county, city, or town fiscal body that adopts an
 16 ordinance under this subdivision must forward a copy of the
 17 ordinance to the county auditor and the department of local
 18 government finance not more than thirty (30) days after the
 19 ordinance is adopted.

20 (C) The homestead credits must be applied uniformly to
 21 increase the homestead credit under IC 6-1.1-20.9 **(repealed)**
 22 for homesteads in the county, city, or town (for property taxes
 23 first due and payable before January 1, 2009) or to provide a
 24 homestead credit for homesteads in the county, city, or town
 25 (for property taxes first due and payable after December 31,
 26 2008).

27 (D) The homestead credits shall be treated for all purposes as
 28 property tax levies.

29 (E) The homestead credits shall be applied to the net property
 30 taxes due on the homestead after the application of all other
 31 assessed value deductions or property tax deductions and
 32 credits that apply to the amount owed under IC 6-1.1.

33 (F) The department of local government finance shall
 34 determine the homestead credit percentage for a particular
 35 year based on the amount of county economic development
 36 income tax revenue that will be used under this subdivision to
 37 provide homestead credits in that year.

38 (7) For a regional venture capital fund established under section
 39 13.5 of this chapter or a local venture capital fund established
 40 under section 13.6 of this chapter.

41 (8) This subdivision applies only to a county:

42 (A) that has a population of more than one hundred ten
 43 thousand (110,000) but less than one hundred fifteen thousand
 44 (115,000); and

45 (B) in which:

46 (i) the county fiscal body has adopted an ordinance under



1 IC 36-7.5-2-3(e) providing that the county is joining the
 2 northwest Indiana regional development authority; and
 3 (ii) the fiscal body of the city described in IC 36-7.5-2-3(e)
 4 has adopted an ordinance under IC 36-7.5-2-3(e) providing
 5 that the city is joining the development authority.

6 Revenue from the county economic development income tax may
 7 be used by a county or a city described in this subdivision for
 8 making transfers required by IC 36-7.5-4-2. In addition, if the
 9 county economic development income tax rate is increased after
 10 June 30, 2006, in the county, the first three million five hundred
 11 thousand dollars (\$3,500,000) of the tax revenue that results each
 12 year from the tax rate increase shall be used by the county only to
 13 make the county's transfer required by IC 36-7.5-4-2. The first
 14 three million five hundred thousand dollars (\$3,500,000) of the
 15 tax revenue that results each year from the tax rate increase shall
 16 be paid by the county treasurer to the treasurer of the northwest
 17 Indiana regional development authority under IC 36-7.5-4-2
 18 before certified distributions are made to the county or any cities
 19 or towns in the county under this chapter from the tax revenue
 20 that results each year from the tax rate increase. All of the tax
 21 revenue that results each year from the tax rate increase that is in
 22 excess of the first three million five hundred thousand dollars
 23 (\$3,500,000) that results each year from the tax rate increase must
 24 be used by the county and cities and towns in the county for
 25 homestead credits under subdivision (9).

26 (9) This subdivision applies only to a county described in
 27 subdivision (8). All of the tax revenue that results each year from
 28 a tax rate increase described in subdivision (8) that is in excess of
 29 the first three million five hundred thousand dollars (\$3,500,000)
 30 that results each year from the tax rate increase must be used by
 31 the county and cities and towns in the county for homestead
 32 credits under this subdivision. The following apply to homestead
 33 credits provided under this subdivision:

34 (A) The homestead credits must be applied uniformly to
 35 provide a homestead credit for homesteads in the county, city,
 36 or town.

37 (B) The homestead credits shall be treated for all purposes as
 38 property tax levies.

39 (C) The homestead credits shall be applied to the net property
 40 taxes due on the homestead after the application of all other
 41 assessed value deductions or property tax deductions and
 42 credits that apply to the amount owed under IC 6-1.1.

43 (D) The department of local government finance shall
 44 determine the homestead credit percentage for a particular
 45 year based on the amount of county economic development
 46 income tax revenue that will be used under this subdivision to



1 provide homestead credits in that year.

2 (c) As used in this section, an economic development project is any
3 project that:

4 (1) the county, city, or town determines will:

5 (A) promote significant opportunities for the gainful
6 employment of its citizens;

7 (B) attract a major new business enterprise to the unit; or

8 (C) retain or expand a significant business enterprise within
9 the unit; and

10 (2) involves an expenditure for:

11 (A) the acquisition of land;

12 (B) interests in land;

13 (C) site improvements;

14 (D) infrastructure improvements;

15 (E) buildings;

16 (F) structures;

17 (G) rehabilitation, renovation, and enlargement of buildings
18 and structures;

19 (H) machinery;

20 (I) equipment;

21 (J) furnishings;

22 (K) facilities;

23 (L) administrative expenses associated with such a project,
24 including contract payments authorized under subsection
25 (b)(2)(D);

26 (M) operating expenses authorized under subsection (b)(2)(E);
27 or

28 (N) to the extent not otherwise allowed under this chapter,
29 substance removal or remedial action in a designated unit;

30 or any combination of these.

31 (d) If there are bonds outstanding that have been issued under
32 section 14 of this chapter or leases in effect under section 21 of this
33 chapter, a county, city, or town may not expend money from its
34 economic development income tax fund for a purpose authorized under
35 subsection (b)(3) in a manner that would adversely affect owners of the
36 outstanding bonds or payment of any lease rentals due.

37 SECTION 29. IC 6-3.5-7-16 IS AMENDED TO READ AS
38 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 16. (a) Except as
39 provided in subsections (b) and (c), on May 1 of each year, one-half
40 (1/2) of each county's certified distribution for a calendar year shall be
41 distributed from its account established under section 10 of this chapter
42 to the county treasurer. The other one-half (1/2) shall be distributed on
43 November 1 of that calendar year.

44 (b) This subsection applies to a county having a population of more
45 than one hundred forty-five thousand (145,000) but less than one
46 hundred forty-eight thousand (148,000), **if the ordinance imposing**



1 **the tax is adopted before July 1 of a year.** Notwithstanding section
 2 11 of this chapter, the initial certified distribution certified for a county
 3 under section 11 of this chapter shall be distributed to the county
 4 treasurer from the account established for the county under section 10
 5 of this chapter according to the following schedule during the eighteen
 6 (18) month period beginning on July 1 of the year in which the county
 7 initially adopts an ordinance under section ~~2~~ **5** of this chapter:

8 (1) One-fourth (1/4) on October 1 of the year in which the
 9 ordinance was adopted.

10 (2) One-fourth (1/4) on January 1 of the calendar year following
 11 the year in which the ordinance was adopted.

12 (3) One-fourth (1/4) on May 1 of the calendar year following the
 13 year in which the ordinance was adopted.

14 (4) One-fourth (1/4) on November 1 of the calendar year
 15 following the year in which the ordinance was adopted.

16 The county auditor and county treasurer shall distribute amounts
 17 received under this subsection to a county and each city or town in the
 18 county in the same proportions as are set forth in section 12 of this
 19 chapter. Certified distributions made to the county treasurer for
 20 calendar years following the eighteen (18) month period described in
 21 this subsection shall be made as provided in subsection (a).

22 (c) Before July 1 of each year, a county's certified distribution for
 23 additional homestead credits under section 25 or 26 of this chapter for
 24 the year shall be distributed from the county's account established
 25 under section 10 of this chapter.

26 (d) All distributions from an account established under section 10
 27 of this chapter shall be made by warrants issued by the auditor of state
 28 to the treasurer of state ordering the appropriate payments.

29 SECTION 30. IC 6-3.5-7-26, AS AMENDED BY P.L.146-2008,
 30 SECTION 350, IS AMENDED TO READ AS FOLLOWS
 31 [EFFECTIVE UPON PASSAGE]: Sec. 26. (a) This section applies only
 32 to homestead and property tax replacement credits for property taxes
 33 first due and payable after calendar year 2006.

34 (b) The following definitions apply throughout this section:

35 (1) "Adopt" includes amend.

36 (2) "Adopting entity" means:

37 (A) the entity that adopts an ordinance under
 38 IC 6-1.1-12-41(f); or

39 (B) any other entity that may impose a county economic
 40 development income tax under section 5 of this chapter.

41 (3) "Homestead" refers to tangible property that is eligible for a
 42 homestead credit under IC 6-1.1-20.9 (**repealed**) or the standard
 43 deduction under IC 6-1.1-12-37.

44 (4) "Residential" refers to the following:

45 (A) Real property, a mobile home, and industrialized housing
 46 that would qualify as a homestead if the taxpayer had filed for



a homestead credit under IC 6-1.1-20.9 **(repealed)** or the standard deduction under IC 6-1.1-12-37.

(B) Real property not described in clause (A) designed to provide units that are regularly used to rent or otherwise furnish residential accommodations for periods of thirty (30) days or more, regardless of whether the tangible property is subject to assessment under rules of the department of local government finance that apply to:

- (i) residential property; or
- (ii) commercial property.

(c) An adopting entity may adopt an ordinance to provide for the use of the certified distribution described in section 16(c) of this chapter for the purpose provided in subsection (e). An adopting entity that adopts an ordinance under this subsection shall use the procedures set forth in IC 6-3.5-6 concerning the adoption of an ordinance for the imposition of the county option income tax. ~~An ordinance must be adopted under this subsection after January 1, 2006, and before June 1, 2006; or, in a year following 2006, after March 31 but before August 1 of a calendar year.~~ The ordinance may provide for an additional rate under section 5(p) of this chapter. An ordinance adopted under this subsection:

(1) first applies to the certified distribution described in section 16(c) of this chapter made in the later of the calendar year that immediately succeeds the calendar year in which the ordinance is adopted or calendar year 2007; and

(2) must specify that the certified distribution must be used to provide for one (1) of the following, as determined by the adopting entity:

(A) Uniformly applied homestead credits as provided in subsection (f).

(B) Uniformly applied residential credits as provided in subsection (g).

(C) Allocated homestead credits as provided in subsection (i).

(D) Allocated residential credits as provided in subsection (j).

An ordinance adopted under this subsection may be combined with an ordinance adopted under section 25 of this chapter.

(d) If an ordinance is adopted under subsection (c), the percentage of the certified distribution specified in the ordinance for use for the purpose provided in subsection (e) shall be:

(1) retained by the county auditor under subsection (k); and

(2) used for the purpose provided in subsection (e) instead of the purposes specified in the capital improvement plans adopted under section 15 of this chapter.

(e) If an ordinance is adopted under subsection (c), the adopting entity shall use the certified distribution described in section 16(c) of this chapter to

~~(1) increase:~~



- 1 ~~(A) if the ordinance grants a credit described in subsection~~
 2 ~~(c)(2)(A) or (c)(2)(C); the homestead credit allowed in the~~
 3 ~~county under IC 6-1.1-20.9 for a year; or~~
 4 ~~(B) if the ordinance grants a credit described in subsection~~
 5 ~~(c)(2)(B) or (c)(2)(D); the property tax replacement credit~~
 6 ~~allowed in the county under IC 6-1.1-21-5 for a year for the~~
 7 ~~residential property;~~
 8 ~~for property taxes first due and payable before January 1, 2009;~~
 9 ~~or~~
 10 ~~(2) provide:~~
 11 ~~(A) (1) if the ordinance grants a credit described in subsection~~
 12 ~~(c)(2)(A) or (c)(2)(C), a homestead credit for homesteads; or~~
 13 ~~(B) (2) if the ordinance grants a credit described in subsection~~
 14 ~~(c)(2)(B) or (c)(2)(D), a property tax replacement credit for~~
 15 ~~residential property;~~
 16 ~~for property taxes first due and payable after December 31, 2008; to~~
 17 ~~offset the effect on homesteads or residential property, as applicable,~~
 18 ~~in the county resulting from the statewide deduction for inventory~~
 19 ~~under IC 6-1.1-12-42 or from the exclusion in 2008 of inventory from~~
 20 ~~the definition of personal property in IC 6-1.1-1-11. The amount of a~~
 21 ~~residential property tax replacement credit granted under this section~~
 22 ~~may not be considered in computing the amount of any homestead~~
 23 ~~credit to which the residential property may be entitled under~~
 24 ~~IC 6-1.1-20.9 (before its repeal) or another law other than~~
 25 ~~IC 6-1.1-20.6.~~
 26 (f) If the imposing entity specifies the application of uniform
 27 homestead credits under subsection (c)(2)(A), the county auditor shall,
 28 for each calendar year in which a homestead credit percentage is
 29 authorized under this section, determine:
 30 (1) the amount of the certified distribution that is available to
 31 provide a homestead credit percentage under this section for the
 32 year;
 33 (2) the amount of uniformly applied homestead credits for the
 34 year in the county that equals the amount determined under
 35 subdivision (1); and
 36 (3) the percentage of homestead credit under this section that
 37 equates to the amount of homestead credits determined under
 38 subdivision (2).
 39 (g) If the imposing entity specifies the application of uniform
 40 residential credits under subsection (c)(2)(B), the county auditor shall
 41 determine for each calendar year in which a homestead credit
 42 percentage is authorized under this section:
 43 (1) the amount of the certified distribution that is available to
 44 provide a residential property tax replacement credit percentage
 45 for the year;
 46 (2) the amount of uniformly applied residential property tax



1 replacement credits for the year in the county that equals the
2 amount determined under subdivision (1); and

3 (3) the percentage of residential property tax replacement credit
4 under this section that equates to the amount of residential
5 property tax replacement credits determined under subdivision
6 (2).

7 (h) The percentage of homestead credit determined by the county
8 auditor under subsection (f) or the percentage of residential property
9 tax replacement credit determined by the county auditor under
10 subsection (g) applies uniformly in the county in the calendar year for
11 which the percentage is determined.

12 (i) If the imposing entity specifies the application of allocated
13 homestead credits under subsection (c)(2)(C), the county auditor shall,
14 for each calendar year in which a homestead credit is authorized under
15 this section, determine:

16 (1) the amount of the certified distribution that is available to
17 provide a homestead credit under this section for the year; and

18 (2) except as provided in subsection (1), a percentage of
19 homestead credit for each taxing district in the county that
20 allocates to the taxing district an amount of homestead credits that
21 bears the same proportion to the amount determined under
22 subdivision (1) that the amount of inventory assessed value
23 deducted under IC 6-1.1-12-42 in the taxing district for the
24 assessment date in 2006 bears to the total inventory assessed
25 value deducted under IC 6-1.1-12-42 in the county for the
26 assessment date in 2006.

27 (j) If the imposing entity specifies the application of allocated
28 residential property tax replacement credits under subsection (c)(2)(D),
29 the county auditor shall determine for each calendar year in which a
30 residential property tax replacement credit is authorized under this
31 section:

32 (1) the amount of the certified distribution that is available to
33 provide a residential property tax replacement credit under this
34 section for the year; and

35 (2) except as provided in subsection (1), a percentage of
36 residential property tax replacement credit for each taxing district
37 in the county that allocates to the taxing district an amount of
38 residential property tax replacement credits that bears the same
39 proportion to the amount determined under subdivision (1) that
40 the amount of inventory assessed value deducted under
41 IC 6-1.1-12-42 in the taxing district for the assessment date in
42 2006 bears to the total inventory assessed value deducted under
43 IC 6-1.1-12-42 in the county for the assessment date in 2006.

44 (k) The county auditor shall retain from the payments of the county's
45 certified distribution an amount equal to the revenue lost, if any, due to
46 the homestead credit or residential property tax replacement credit



provided under this section within the county. The money shall be distributed to the civil taxing units and school corporations of the county:

- (1) as if the money were from property tax collections; and
- (2) in such a manner that no civil taxing unit or school corporation will suffer a net revenue loss because of the allowance of a homestead credit or residential property tax replacement credit under this section.

(l) Subject to the approval of the imposing entity, the county auditor may adjust the increased percentage of:

- (1) homestead credit determined under subsection (i)(2) if the county auditor determines that the adjustment is necessary to achieve an equitable reduction of property taxes among the homesteads in the county; or
- (2) residential property tax replacement credit determined under subsection (j)(2) if the county auditor determines that the adjustment is necessary to achieve an equitable reduction of property taxes among the residential property in the county.

SECTION 31. IC 6-3.5-7-27, AS AMENDED BY P.L.224-2007, SECTION 92, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 27. (a) This section applies to a county that:

- (1) operates a courthouse that is subject to an order that:
 - (A) is issued by a federal district court;
 - (B) applies to an action commenced before January 1, 2003; and
 - (C) requires the county to comply with the federal Americans with Disabilities Act; and
- (2) has insufficient revenues to finance the construction, acquisition, improvement, renovation, equipping, and operation of the courthouse facilities and related facilities.

(b) A county described in this section possesses unique fiscal challenges in financing, renovating, equipping, and operating the county courthouse facilities and related facilities because the county consistently has one of the highest unemployment rates in Indiana. Maintaining low property tax rates is essential to economic development in the county. The use of economic development income tax revenues under this section for the purposes described in subsection (c) promotes that purpose.

(c) In addition to actions authorized by section 5 of this chapter, a county council may, using the procedures set forth in this chapter, adopt an ordinance to impose an additional county economic development income tax on the adjusted gross income of county taxpayers. The ordinance imposing the additional tax must include a finding that revenues from additional tax are needed to pay the costs of:

- (1) constructing, acquiring, improving, renovating, equipping, or operating the county courthouse or related facilities;



(2) repaying any bonds issued, or leases entered into, for constructing, acquiring, improving, renovating, equipping, or operating the county courthouse or related facilities; and

(3) economic development projects described in the county's capital improvement plan.

(d) The tax rate imposed under this section may not exceed twenty-five hundredths percent (0.25%).

(e) If the county council adopts an ordinance to impose an additional tax under this section, the county auditor shall immediately send a certified copy of the ordinance to the department by certified mail. The county treasurer shall establish a county facilities revenue fund to be used only for the purposes described in subsection (c)(1) and (c)(2). The amount of county economic development income tax revenues derived from the tax rate imposed under this section that are necessary to pay the costs described in subsection (c)(1) and (c)(2) shall be deposited into the county facilities revenue fund before a certified distribution is made under section 12 of this chapter. The remainder shall be deposited into the economic development income tax funds of the county's units.

(f) County economic development income tax revenues derived from the tax rate imposed under this section may not be used for purposes other than those described in this section.

(g) County economic development income tax revenues derived from the tax rate imposed under this section that are deposited into the county facilities revenue fund may not be considered by the department of local government finance in determining the county's ad valorem property tax levy for an ensuing calendar year under IC 6-1.1-18.5.

~~(h) Notwithstanding section 5 of this chapter, an ordinance may be adopted under this section at any time. If the ordinance is adopted before August 1 of a year, a tax rate imposed under this section takes effect October 1 of that year. If the ordinance is adopted after July 31 of a year, a tax rate imposed under this section takes effect on the October 1 immediately following adoption of the ordinance.~~

~~(i) For a county adopting an ordinance before June 1 in a year, in determining the certified distribution under section 11 of this chapter for the calendar year beginning with the immediately following January 1 and each calendar year thereafter, the department shall take into account the certified ordinance mailed to the department under subsection (e). For a county adopting an ordinance after May 31, the department shall issue an initial or a revised certified distribution for the calendar year beginning with the immediately following January 1. Except for a county adopting an ordinance after May 31, a county's certified distribution shall be distributed on the dates specified under section 16 of this chapter. In the case of a county adopting an ordinance after May 31, the county, beginning with the calendar year beginning on the immediately following January 1, shall receive the entire~~



certified distribution for the calendar year on November 1 of the year.

(j) (h) Notwithstanding any other law, funds accumulated from the county economic development income tax imposed under this section and deposited into the county facilities revenue fund or any other revenues of the county may be deposited into a nonreverting fund of the county to be used for operating costs of the courthouse facilities, juvenile detention facilities, or related facilities. Amounts in the county nonreverting fund may not be used by the department of local government finance to reduce the county's ad valorem property tax levy for an ensuing calendar year under IC 6-1.1-18.5.

SECTION 32. IC 6-3.5-7-28, AS ADDED BY P.L.232-2007, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 28. (a) This section applies only to a county that is a member of a regional development authority under IC 36-7.6.

(b) In addition to the rates permitted by section 5 of this chapter, the entity that imposed the county economic development income tax under section 5 of this chapter (or, in the case of a county that has not imposed the county economic development income tax, the entity that may impose the county economic development income tax under section 5(a)(3) of this chapter) may by ordinance impose an additional county economic development income tax at a rate of five-hundredths of one percent (0.05%) on the adjusted gross income of county taxpayers.

(c) If an additional county economic development income tax is imposed under this section, the county treasurer shall establish a county regional development authority fund. Notwithstanding any other provision of this chapter, the county economic development income tax revenues derived from the additional county economic development income tax imposed under this section must be deposited in the county regional development authority fund before any certified distributions are made under section 12 of this chapter.

(d) County economic development income tax revenues derived from the additional county economic development income tax imposed under this section and deposited in the county regional development authority fund:

- (1) shall, not more than thirty (30) days after being deposited in the county regional development authority fund, be transferred as provided in IC 36-7.6-4-2 to the development fund of the regional development authority for which the county is a member; and
- (2) may not be considered by the department of local government finance in determining the county's maximum permissible property tax levy under IC 6-1.1-18.5.

(e) Notwithstanding sections 5 and 6 of this chapter, if a county becomes a member of a regional development authority under IC 36-7.6 and imposes an additional county economic development income tax under this section **before July 1 of a year**, then,



1 notwithstanding section 11 or any other provision of this chapter, the
2 initial certified distribution of the tax revenue that results from the
3 additional tax shall be distributed to the county treasurer from the
4 account established for the county under this chapter according to the
5 following schedule during the eighteen (18) month period beginning on
6 July 1 of the year in which the county adopts the ordinance to impose
7 the additional tax:

8 (1) One-fourth (1/4) on October 1 of the year in which the
9 ordinance to impose the additional tax is adopted.

10 (2) One-fourth (1/4) on January 1 of the calendar year following
11 the year in which the ordinance to impose the additional tax is
12 adopted.

13 (3) One-fourth (1/4) on May 1 of the calendar year following the
14 year in which the ordinance to impose the additional tax is
15 adopted.

16 (4) One-fourth (1/4) on November 1 of the calendar year
17 following the year in which the ordinance to impose the additional
18 tax is adopted.

19 **SECTION 33. An emergency is declared for this act.**

